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When recorded return to:

KONSTANTINE P. GEORGE
111 West Ocean Boulevard
Suite 1300
Long Beach, California 90802

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LOS ANGELES COUNTY REGISTRAR - RECORDER COUNTY CLERK

NOV 4 3 1992

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COVENANT AND AGREEMENT TO RESTRICT USE OF PROPERTY

This Covenant and Agreement ("Covenant") is made as of the 21ST day of September, 1992 by Cree Investment Company, a California partnership and Anthony Lewicki and his wife Lillian Lewicki (collectively "Covenantors") and by the State of California, Department of Toxic Substances Control ("Department") with reference to the following facts:

1. Covenantors are the owners of record of certain property situated in Los Angeles County, State of California described in Exhibit "A" attached hereto and incorporated herein by this reference ("the Property").
2. The Property was previously the site of a waste oil recycling facility (U.S. Environmental Protection Agency, EPA ID #CAD990669400), and was contaminated with material defined as hazardous waste. Covenantors have caused the waste oil recycling facility to be removed and substantial remediation effected so that according to reports of certified soils engineers the remaining levels of hazardous waste do not pose a present or potential hazard to the environment or the public health and safety.

3. Covenantors intend to restrict the use of the Property for uses as may be approved by the Department, and other relevant state and local governmental agencies.

ARTICLE I

GENERAL PROVISIONS

- 1.1 Provisions to Run With the Land. This Covenant sets forth protective provisions, covenants, restrictions, and conditions, (collectively referred to as "Restrictions") upon the Property, and subject to which the Property shall be improved, held, used, occupied, leased, sold, and/or conveyed. Each and all of the Restrictions prescribed herein shall run with the land, pass with and are imposed upon the Property, and shall apply to and bind the respective successors in interest thereof. Each and all of the Restrictions run with the land pursuant to Section 1466 of the California Civil Code and are for benefit of and enforceable by the Department.
- 1.2 Concurrence of owners Presumed. All purchasers, lessees, or possessors of any portion of the Property shall be deemed by their purchase, leasing, or possession of such Property, to be in accord with the foregoing and to agree for and among themselves, their heirs, successors, and assignees and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that their interest in the Property shall be subject to the Restrictions contained herein.
- 1.3 Incorporation Into Deeds and Leases. Covenantors desire and covenant that the Restrictions set out herein shall be incorporated by reference in each and all deeds and leases (other than month to month tenancies for self-storage units, boat and

vehicle storage, collectively the "Storage Tenants") of any portion of the Property pursuant to sections 1468, 1469, and 1470 of the California Civil Code.

ARTICLE II

DEFINITIONS

- 2.1 Department. "Department" shall mean the California Department of Toxic Substances Control and shall include its successor agencies, if any.
- 2.2 Improvements. "Improvements" shall mean all buildings, roads, driveways, regradings, and paved parking areas, constructed or placed upon any portion of the Property.
- 2.3 Property. "Property" shall mean that real property owned by Covenantors described on Exhibit "A" attached hereto and incorporated herein by reference.
- 2.4 Occupants. "Occupants" shall mean owners and those persons entitled by ownership, leasehold, or other legal relationship to the exclusive right to possess or occupy any portion of the Property other than the Storage Tenants.
- 2.5 Owner. "Owner" shall mean the Covenantors or their successors in interest, including heirs and assignees, who hold title to all or any portion of the Property, or any person or entity which has hereafter acquired any interest whatsoever, whether present or future, joint or individual, possessory or nonpossessory, or legal or equitable, or whether it was acquired by conveyance, by security interest, or by operation of law.

ARTICLE III

DEVELOPMENT, USE AND CONVEYANCE OF THE PROPERTY

3.1 Restrictions. Owner and Covenantors promise:

3.1.1 Use Of The Property. Use of the Property shall be permanently Restricted (the "Restricted Use") as follows:

- a. Owner shall not initiate any Improvement which is intended for use any of the following, or allow the use of any existing Improvement for the purpose of serving as any of the following:
 - (i) A residence, including any mobile home or factory built housing constructed or installed for use as permanently occupied for human habitation.
 - (ii) A hospital for humans;
 - (iii) A school for persons under 21 years of age;
 - (iv) A day care center for children; or
 - (v) Any permanently occupied human habitation other than those used for commercial, industrial, and recreational purposes.

3.1.2 Notice To Department, Modifications, And Approval.

- a. Owner shall not grant, lease or initiate any change of the Property to a Restricted Use without first giving prior notice to the Department, or its successor agencies. The notice shall be given at least 90 days in advance of the proposed change to a Restricted

Use, grant, or lease and shall be delivered by personal service or registered mail to the Department Section with geographic jurisdiction over the Property. The notice shall include a statement identifying the name of the proposed grantee or lessee (if any), and the nature of the proposed change to a Restricted Use of the Property.

- b. The Owner may request approval of modification or removal of Restrictions as set forth in Paragraphs 4.1 and 4.2 hereof.
- c. Owner shall not initiate Restricted Use improvements (as such term is defined) on the Property without prior written approval of the Department.
- d. Copies of all notices required to be given by Owner to the Department as provided in this Covenant shall concurrently therewith also be given by Owner to the U.S. Environmental Protection Agency ("EPA") and the Regional Water Quality Control Board ("RWQCD") in the manner and at the place designated in Paragraph 5.2 below.

3.1.3 Compliance with Regulatory Requirements. The Owner hereby grants, and use of the Property shall be subject to, an easement in favor of the Department for inspection, surveillance, monitoring, maintenance, and any other activities the Department, in its sole discretion, deems necessary to

protect the public health and safety.

3.1.4 Conveyance of Property.

- a. The Owner or Owners shall provide thirty (30) days advance notice to the Department of any sale or other conveyance of the Property (excluding a Deed of Trust or security interest), or fee interest in the Property, to a third person.
- b. The Owner shall not grant, sell, transfer, or otherwise convey any land or interest in the Property, or any part thereof, without giving prior written notice to the buyer as required in California H&S Code section 25359.7.
- c. The Owner shall not grant, sell, transfer or otherwise convey any land or interest in the Property, or any part thereof, in such a manner as to cause or result in impairment of, or interference with, any requirement or obligation of the Restrictions.
- d. The Department shall not, by reason of this Covenant, have authority to approve, disapprove or otherwise affect any sale or other conveyance of the Property, or any part thereof, except as otherwise provided by law, order, and agreement by reason of this Covenant.

3.2 Enforcement. Failure of the Owner to comply with any of the requirements set forth in paragraph 3.1 shall be grounds for the Department, by reason of the Covenant, to have the authority to require that the Owner modify or remove any

improvements on the Property constructed in violation of that paragraph. This Covenant shall also be enforceable by the Department pursuant to Article 8, Chapter 6.5 Division 20 of the H&S Code.

3.3 Instrument as Notice. After recording this instrument shall constitute notice to potential purchasers that Restrictions exist on the use of the Property as in this Covenant provided.

3.4 Notice in Agreements. All Owners and Occupants shall execute a written instrument which shall accompany all purchase, lease, sublease or rental agreements (other than Storage Tenants) relating to the Property, whichever is applicable. The instrument shall contain the following statement:

The land described herein may contain hazardous material. Such condition renders the land and the owner, lessee, or other possessor of the land subject to requirements, restrictions, provisions, and liabilities contained in Chapter 6.5 (commencing with Section 25100) of Division 20 of the Health and Safety Code). Additional information can be obtained by reviewing the files of the California Department of Toxic Substances Control or its successor agencies. This statement is not a declaration that a hazard exists.

ARTICLE IV

TERMINATION, MODIFICATION AND REMOVAL

- 4.1 Termination, Modification or Removal. Any Owner, or with the Owner's consent, any Occupant of the Property, or any portion thereof, may make a written request to the Department for termination, modification or removal of any of the provisions of this Covenant. Such request shall be made and acted upon in accordance with section 25202.6 of the California Health and Safety Code.
- 4.2 Term. Unless removed in accordance with paragraph 4.1 above, by or otherwise, this Covenant shall continue in effect in perpetuity.

ARTICLE V

MISCELLANEOUS

- 5.1 No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property, or any portion thereof, to the general public or for any purposes whatsoever.
- 5.2 Delivery of Notices. Whenever any person shall desire to give or serve any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (1) when delivered, if personally delivered to the person being served or to an officer or a corporate party being served or official of a government agency being served, or (2) three business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested:

To Covenantors:

Cree Investment Company
3250 Cherry Avenue
Long Beach, California 90807; and

Anthony and Lillian Lewicki
7931 Cramer
Long Beach, California 90808

To Department:

State of California Department of
Toxic Substances Control
Region 4/Long Beach
Site Mitigation Unit
245 West Broadway, 3rd Floor
Long Beach, California 90802-4444

To EPA

U.S. Environmental Protection Agency
Region 9
Site Mitigation Unit
75 Hawthorne Street
San Francisco, California 94105

To RWQCD


Regional Water Quality Control Board
101 Centre Plaza Drive
Monterey Park, California 91754

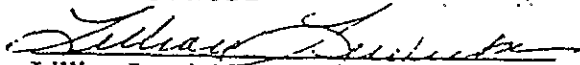
In the event of sale, transfer or conveyance of title to the Property the person and address upon whom notices are to be served as Owner shall be the then recorded title holders of the Property.

- 5.3 Partial Invalidity. If any portion of the Restrictions set forth herein or terms is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

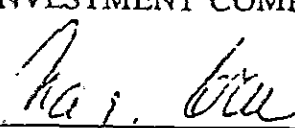
- 5.4 Article Headings. Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the parties and are not a part of the Covenant.
- 5.5 Recordation. This instrument shall be executed by the Covenantors and the Department. This instrument shall be recorded by the Covenantors in the County of Los Angeles within ten (10) days of the date of execution.
- 5.6 References. All references to Code sections include successor provisions.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth below.

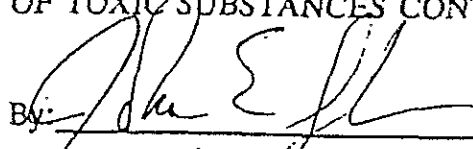

LILLIAN LEWICKI, as
Conservator of the Estate
of ANTHONY LEWICKI,
Conservatee


Lillian Lewicki

CREE INVESTMENT COMPANY

By: 
Ira J. Cree
General Partner

STATE OF CALIFORNIA, DEPARTMENT
OF TOXIC SUBSTANCES CONTROL

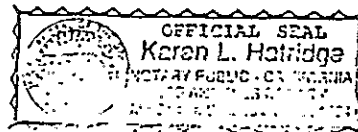
By: 
Title: Chief, Site Mitigation Branch
Region 4

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

on OCTOBER 2, 1992, before me, the undersigned,
a Notary Public in and for said State, personally appeared LILLIAN
LEWICKI personally known to me or proved to me on the basis of
satisfactory evidence to be the person whose name is subscribed to
the within instrument and acknowledged that she executed same in
her authorized capacities, and that by her signature on the
instrument, the persons or the entity upon behalf of which the
person acted, executed the instrument.

WITNESS my hand and official seal.

Karen L. Hatridge
Notary Public in and for said State



STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On October 5, 1992, before me, the undersigned, a Notary Public in and for said State, personally appeared Ira J. Ciel, on behalf of CREE INVESTMENT COMPANY, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that (s)he executed same.

WITNESS my hand and official seal.

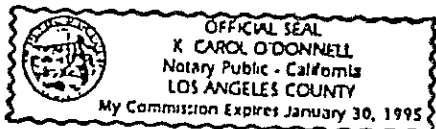


Shirley Lou Tiao
Notary Public in and for said State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On Oct. 21, 1992, before me, the undersigned, a Notary Public in and for said State, personally appeared John S. Sauer, on behalf of the STATE OF CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that (s)he executed same.

WITNESS my hand and official seal.



K. Carol O'Donnell
Notary Public in and for said State

That portion of Farm Lot 31 of the American Colony Tract, in the City of Long Beach, County of Los Angeles, State of California, as per map recorded in Book 19 Pages 89 and 90 of Miscellaneous Records in the Office of the County Recorder of said County, described as follows:

Beginning at the point of intersection of the centerline of Orange Avenue and Spring Street; thence North $89^{\circ}55'15''$ East along the centerline of Spring Street 157.92 feet; thence North $0^{\circ}04'45''$ West 30.00 feet; thence North $0^{\circ}00'10''$ West 188.00 feet; thence North $89^{\circ}55'15''$ East 352.63 feet to the true point of beginning; thence North $89^{\circ}55'15''$ East 150.00 feet; thence North $0^{\circ}00'10''$ West 220.50 feet; thence South $89^{\circ}55'15''$ West 150.00 feet; thence South $0^{\circ}00'10''$ East 220.50 feet to the point of beginning.

